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C O N F I D E N T I A L ASUNCION 000621

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WHA FOR WHA/BSC MILTON DRUCKER AND MARY DASCHBACH

E.O. 12958: DECL: 2019/10/23  
TAGS: [PGOV](#) [PREL](#) [PA](#)  
SUBJECT: LUGO IMPEACHMENT RUMORS ARE BACK, BUT NOTHING CONCRETE OR  
IMMINENT

REF: ASUNCION 613; ASUNCION 617

CLASSIFIED BY: PHolloway, DCM; REASON: 1.4(B), (D)

11. (C) In the wake of the still unresolved Zavala kidnapping (RefTel A), rumors about possible impeachment proceedings against President Lugo are beginning anew. Many political actors (namely UNACE, the Liberals, and the Colorados) have been waiting for Lugo to make a mistake which could generate sufficient political support for his impeachment. According to several members of Congress, Lugo's handling of the kidnapping and the country's general security situation is the "last straw" following Lugo's failure to produce significant results during his year and two months in office. Post has not seen any formal efforts to pursue impeachment and there is nothing imminent; however, Lugo needs a successful resolution of the kidnapping and then needs to start delivering results in areas like security, limited agrarian reform, and corruption. Otherwise, his political enemies will feel emboldened to pursue political means like Impeachment to remove him from office.

12. (C) Congressional representatives from the centrist Beloved Fatherland (PQ) and the far right UNACE parties told Pol/Econ Chief separately October 21 and 22 that there is increasing pressure from the populace to impeach Lugo. They said many people are worried about ties between Lugo's government (and even possibly Lugo personally) and the kidnappers, and that concerns about the security situation in San Pedro and Concepcion Departments have reached critical levels. While most agreed that impeachment was not appropriate until after the Zavala kidnapping is resolved, they believed it was imminent. Beloved Fatherland Senator Marcelo Duarte said UNACE president and perennial coup-plotter Lino Oviedo is leading the charge, with strong support from the Liberal Party, which is taking on a "now or never" view of their ability to return to power. (NOTE: Lugo's Vice President is Liberal Federico Franco, who would assume the presidency should Lugo be impeached or resign).

13. (C) COMMENT: Lugo's impeachment is back on the political front burner, but these charges could quickly fizzle if the Zavala kidnapping is resolved in coming days. No president has ever been impeached in Paraguay, and to this point, there have not been sufficient votes to impeach Lugo in this fractured Congress. That said, the panorama appears to be changing rapidly, and frustration with Lugo's ineffective leadership style and inner circle appears to be reaching a boiling point. There is significant pressure for Lugo to act decisively to address the country's security situation, and to define a national agenda. Based on our conversations with Lugo and his staff in the past week (RefTel B), it seems that Lugo is beginning to grasp that his political future is on the rocks and he needs to turn the situation around.

14. (C) During a private working dinner Ambassador Ayalde attended last night at the Spanish Ambassador's residence with Lugo, the President indicated that they had evidence pointing the finger at UNACE leader Oviedo as being behind the kidnapping in order to discredit Lugo and his government. This is yet another instance of how the truth in Paraguay is always difficult to decipher. Post will continue to monitor the kidnapping, along with impeachment rumors in the coming days. END COMMENT  
AYALDE